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The unofficial consolidated version of the Court of Audit Act comprises:

- Court of Audit Act – ZRacS-1 (Official Gazette of the RS, No 11/01 as of 16 February 2001),
- Act Amending the Court of Audit Act – ZRacS-1A (Official Gazette of the RS, No 109/12 as of 31 December 2012),
- Public Office Holders Act – ZF (Official Gazette of the RS, No 57/25 as of 29 July 2025).

## **COURT OF AUDIT ACT (ZRacS-1)**

**(Unofficial consolidated version No 2)**

**Date of application:** 13 August 2025

### **1. GENERAL PROVISIONS**

#### **Article 1**

##### **(Status of the Court of Audit)**

(1) The Court of Audit of the Republic of Slovenia (hereafter referred to as: the Court of Audit) is the supreme audit institution for the control of state accounts, the state budget and all public spending in the Republic of Slovenia.

(2) In relation to other state authorities, the Court of Audit is an autonomous and independent state authority.

(3) The acts under which the Court of Audit exercises its audit responsibility may not be challenged before courts or other state authorities.

#### **Article 2**

##### **(Seat of the Court of Audit)**

(1) The Court of Audit has its headquarters in Ljubljana.

(2) The Court of Audit may have organisational units outside its headquarters.

#### **Article 3**

### **(Rules of Procedure of the Court of Audit)**

(1) The Court of Audit has its Rules of Procedure. These shall be adopted in consent with the National Assembly.

(2) The Rules of Procedure of the Court of Audit regulate in detail the method and procedures regarding the performance of the audit responsibility of the Court of Audit under this Act.

(3) The Rules of Procedure of the Court of Audit shall be published in the Official Gazette of the Republic of Slovenia.

(4) The Court of Audit may further regulate the organisation and work method of the Court Audit with other general acts.

### **Article 4**

#### **(Mutatis Mutandis Application of Other Legal Provisions)**

Should the performance of audit responsibility reveal an issue not provided for by this Act, appropriate provisions of the law governing the administrative procedure shall be applied mutatis mutandis.

### **Article 5**

#### **(Public Nature of Work of the Court of Audit)**

(1) The work of the Court of Audit shall be public. The public nature of work performed by the Court of Audit shall be secured in the way provided by this Act and by the Rules of Procedure of the Court of Audit.

(2) The Court of Audit shall at least once a year submit the report on its work to the National Assembly for its consideration.

(3) The report referred to in the preceding paragraph must contain information on measures taken under Article 29, paragraphs (11) and (14), as well as information on measures taken under Articles 30 and 38 hereof.

## **2. COMPOSITION AND ORGANISATION OF THE COURT OF AUDIT**

### **Article 6**

#### **(Members of the Court of Audit)**

(1) Members of the Court of Audit are the President of the Court of Audit and two deputies – the First and the Second Deputy of the President of the Court of Audit.

(2) Any citizen of the Republic of Slovenia, with university qualifications at the least, who is an expert in the field of importance for the execution of competences of the Court of Audit, masters at least one world language, and has not been a member of the Government of the Republic of Slovenia during the period of the last four years preceding the appointment, may be appointed member of the Court of Audit.

(3) Members of the Court of Audit shall be appointed by the National Assembly.

## **Article 7**

### **(Term of Office of Members of the Court of Audit)**

(1) Any member of the Court of Audit is appointed for a term of nine years from the date when he/she has assumed office.

(2) Should a new member of the Court of Audit not be appointed by the date on which the term of the member of the Court of Audit has expired, or in case that the newly appointed member of the Court of Audit cannot assume office on the day after the term of the outgoing member of the Court of Audit has expired, the outgoing member of the Court of Audit shall continue to perform his/her duties until the newly appointed member of the Court of Audit assumes the office.

(3) The President of the Court of Audit shall notify the President of the Republic about the end of the term of office of any member of the Court of Audit no sooner than six (6) and no later than five (5) months prior to the expiry of such term of office.

(4) In case of early dismissal of the President or Deputy President of the Court of Audit, the President of the National Assembly shall immediately notify thereof the President of the Republic, and the First Deputy President or the President of the Court of Audit, as the case may be.

## **Article 8**

### **(Appointment of Members of the Court of Audit)**

(1) Having received the notification referred to in paragraph (3) or (4) of the preceding Article, or having been advised that the proposed candidate for the President or Deputy President of the Court of Audit has not received the necessary majority of deputies' votes in the National Assembly, the President of the Republic shall without delay publish a call for registration of possible candidates for the office of the President or Deputy President of the Court of Audit, as the case may be, in the Official Gazette of the Republic of Slovenia.

(2) The registration of any possible candidate for the President or Deputy President of the Court of Audit shall be sent to the President of the Republic no later than within thirty (30) days, and in case of early dismissal of the President of the Court of Audit and in the case referred to in the last paragraph hereof, no later than within fifteen (15) days after the call has been published. The registration must be explained. A written statement by the registered possible candidate declaring that he/she is willing to accept the candidature must be attached.

(3) From among the registered possible candidates for the President of the Court of Audit the President of the Republic proposes to the National Assembly a candidate for the President of the Court of Audit. From among the registered possible candidates for the Deputy President of the Court of Audit, the President of the Republic proposes to the National Assembly a candidate for the First and a candidate for the Second Deputy President of the Court of Audit, respectively. He/she submits the proposal within thirty (30) days after the expiry of the period referred to in the preceding paragraph. The proposed candidature must be explained. A written statement by the candidate declaring that he/she is willing to accept the candidature must be attached.

(4) The National Assembly is obliged to vote on the proposed candidate for member of the Court of Audit within thirty (30) days after the submission of the proposal. Voting is by secret ballot. The proposed candidate is appointed, if the majority of votes of all deputies are cast in his/her favour.

(5) The proposed candidate for member of the Court of Audit shall attend the session at which the National Assembly decides on his/her candidature.

(6) Should the proposed candidate for member of the Court of Audit receive the necessary majority of deputies' votes, the President of the National Assembly shall immediately notify the President of the Republic thereof.

## **Article 9**

### **(Oath and Assumption of Office of Members of the Court of Audit)**

(1) Following the appointment, any member of the Court of Audit takes the following oath before the National Assembly: "I swear that I will exercise my functions in accordance with the Constitution and law, honestly, with due care and impartially."

(2) The newly appointed member of the Court of Audit takes the office no later than three (3) months after having taken the oath.

(3) In case that the term of office of the outgoing member of the Court of Audit has not yet expired, the newly appointed member of the Court of Audit shall take the office on the expiry of the term of office of the outgoing member of the Court of Audit.

## **Article 10**

### **(Early Dismissal of Members of the Court of Audit)**

(1) Any member of the Court of Audit may be early dismissed from office only in the following cases:

1. if the member submits to the National Assembly a statement of resignation;
2. if the member has been sentenced to imprisonment for a criminal offence;
3. if the member has become permanently incapable of performing his/her duties;
4. if the member ceases to meet the requirements for a member of the Court of Audit;
5. if the member does not act in consistency with the Constitution and law.

(2) The initiative for the dismissal of a member of the Court of Audit under Item 5 above may be filed by not less than 15 deputies of the National Assembly. The filed initiative shall contain a description of the alleged violation of the Constitution or law, as the case may be, including the presentation of evidence on such violation of the Constitution or law.

(3) The working body of the National Assembly responsible for budgetary and other public finance control shall consider the initiative referred to in the preceding paragraph. If the initiative has not been filed in accordance with the preceding paragraph, the working body calls on the initiators to complete it within a given time limit. Should the initiative not be completed within the specified term, it is deemed to have not been filed.

(4) Any member of the Court of Audit who has been proposed for dismissal has the right to respond, in writing or in person at the session of the working body referred to in the preceding paragraph, to any alleged violation of the Constitution or law with which he/she has been reproached.

(5) Having considered the case, the working body can either accept or reject the initiative. The working body accepts the initiative with the majority of votes of all its members. If the initiative is accepted, the working body shall report to the National Assembly on identified violations of the Constitution or law and propose to the National Assembly that the concerned member of the Court of Audit be dismissed on those grounds.

A member of the Court of Audit shall be subject to early dismissal and termination of his/her term of office on the day on which the National Assembly has established the onset of a reason stated under Items 1, 2, 3 and 4 of paragraph (1) of this Article or on the day on which the National Assembly has dismissed him/her in accordance with the preceding paragraph.

## **Article 11**

### **(Senate of the Court of Audit)**

(1) The President of the Court of Audit and the two Deputy Presidents of the Court of Audit constitute the Senate of the Court of Audit.

(2) The Senate of the Court of Audit:

1. adopts the Rules of Procedure of the Court of Audit in agreement with the National Assembly;
2. decides upon issues within its competence under this Act.

## **Article 12**

### **(President of the Court of Audit)**

(1) The President of the Court of Audit acts for and represents the Court of Audit; he/she is the State Auditor General and the Head of the Court of Audit.

(2) In his/her capacity of State Auditor General, the President of the Court of Audit has the following responsibilities:

1. to direct and approve the execution of the competences of the Court of Audit by determining its work programme and signing the instruments of the Court of Audit;
2. to prescribe the rules for individual audit steps; and to issue guidelines and instructions to that end;
3. to order, if appropriate, official control over the execution of audit assignments; and to issue a control order to that end;
4. to convene and conduct the sessions of the Senate of the Court of Audit;
5. to conduct any other business in accordance with this Act.

(3) In his/her capacity of the Head of the Court of Audit, the President of the Court of Audit has the following responsibilities:

1. to determine the operation order of the Court of Audit by issuing instructions and rules;
2. to define the draft budget of the Court of Audit and to adjust the draft to the approved state budget;

3. to decide on employment issues at the Court of Audit; and to issue decisions to that end;
4. to allocate assignments at the Court of Audit; and to issue orders to that end, if necessary;
5. to exercise other competences provided by law.

### **Article 13**

#### **(Deputy President of the Court of Audit)**

(1) Deputy President of the Court of Audit carries out the functions of State Auditor General based on authorization from the President of the Court of Audit.

The First Deputy President of the Court of Audit:

1. deputises the President of the Court of Audit during his/her absence;
2. in case of early termination of office of the President of the Court of Audit, performs the duties of the office of President of the Court of Audit until the appointment of a new President of the Court of Audit.

### **Article 14**

#### **(Supreme State Auditors)**

(1) The Court of Audit has six Supreme State Auditors at the most.

(2) Any citizen of the Republic of Slovenia who has appropriate professional qualifications and masters at least one world language may be appointed Supreme State Auditor. A person is deemed to have appropriate professional qualifications for Supreme State Auditor, if he/she holds an academic title and has appropriate expertise, or has a university education and holds the title of verified state auditor under this Act or the title of certified auditor under the law that regulates auditing.

(3) The President of the Court of Audit appoints a Supreme State Auditor and relieves him/her of duty by decision. The appointment is issued for a term of nine (9) years.

(4) Supreme State Auditor takes office after he/she has taken the oath referred to in Article 9 hereof before the President of the Court of Audit.

(5) Supreme State Auditors head audit units and exercise audit responsibilities of the Court of Audit under this Act and in accordance with authorizations from the President of the Court of Audit. President of the Court of Audit shall appoint a special Supreme State Auditor for local self-government area.

(6) Supreme State Auditors are accountable for their work to the President of the Court of Audit.

### **Article 15**

#### **(Secretary of the Court of Audit)**

(1) The Court of Audit has its Secretary.

(2) Any citizen of the Republic of Slovenia who has at least university qualifications and masters at least one world language may be appointed Secretary of the Court of Audit.

(3) President of the Court of Audit appoints the Secretary of the Court of Audit and relieves him/her of duty by decision. The appointment is issued for a term of nine (9) years.

(4) Secretary of the Court of Audit:

1. coordinates the work of support services of the Court of Audit;
2. conducts operations of the Court of Audit;
3. is the budget authorising officer for implementation of the budget of the Court of Audit;
4. performs other tasks as ordered and pursuant to the authorisations from the President of the Court of Audit.

(5) The Secretary of the Court of Audit is accountable for his/her work to the President of the Court of Audit.

## **Article 16**

### **(Incompatibility of Office at the Court of Audit with Other Offices and Pursuance of Certain Functions and/or Activities)**

(1) The office of member of the Court of Audit, the office of Supreme State Auditor and the office of Secretary of the Court of Audit (hereafter referred to as: office at the Court of Audit) is not compatible with:

1. office in a state body, in local self-government bodies, in bodies of political parties or trade unions;
2. work in a state body, in a local self-government body or with a bearer of public authorities;
3. membership in a management or supervisory body of a commercial company, public utility, fund, institution or cooperative;
4. pursuance of any occupation or gainful activity which is not compatible with performance of public office by law.

(2) Any function of the holder of office at the Court of Audit referred to in Item 1 above shall end on the day of his/her taking office at the Court of Audit.

(3) Holders of office at the Court of Audit are obliged to cease pursuing their work or activity stated in Items 2, 3 and 4 of paragraph (1) above within three (3) months at the latest after having been appointed. Anybody who fails to do so ceases to hold office at the Court of Audit.

Holders of office at the Court of Audit are obliged, within three (3) months at the latest after having been appointed, to submit to the National Assembly a written statement on their income status in accordance with the Incompatibility of Holding Public Office with Profitable Activity Act (Official Gazette of the RS, Nos 49/92 and 50/92 – as amended).

## **Article 17**

### **(Impermissible Relations of Holders of Office at the Court of Audit Between Themselves and with Auditees)**

(1) Holders of office at the Court of Audit shall not be related by blood in the direct line to all times removed and in the collateral line to four times removed.

(2) No holder of office at the Court of Audit may be married to or living in an extramarital union with another holder of office at the Court of Audit, or related by marriage to twice removed.

(3) No holder of office at the Court of Audit may participate in or decide on any audit procedure in cases where he/she is in business contacts with or in the direct or collateral line to inclusive four times removed related to, or married to, regardless of whether the marriage has been resolved, or living in an extramarital union with or related by marriage to inclusive three times removed to the auditee, persons authorized by the auditee, its legal representatives, members of its governing or management bodies or persons responsible. No holder of office at the Court of Audit may participate in or decide on any audit procedure in cases where he/she has been employed by the audited entity and the period of two (2) years has not yet elapsed since the termination of employment.

## **Article 18**

### **(Services of the Court of Audit)**

(1) The Court of Audit has audit services and support services.

(2) All work in the services is carried out by citizens of the Republic of Slovenia who are assigned to positions at the Court of Audit.

(3) The positions and requirements for obtaining individual positions referred to in the preceding paragraph shall be defined by a general act of the Court of Audit, issued by the President of the Court of Audit.

(4) The Court of Audit may employ trainees as provided by law.

## **Article 19**

### **(Experts of the Court of Audit)**

(1) In the preparation of its findings or opinion, the Court of Audit may include experts into the execution of responsibilities within its competence.

(2) Any person with appropriate professional expertise may be appointed expert of the Court of Audit. An expert may be an individual or a legal entity (expert institution).

(3) A foreign citizen who is a recognised expert in the field of importance for the execution of competences of the Court of Audit, may likewise be appointed expert of the Court of Audit.

(4) President of the Court of Audit appoints the expert of the Court of Audit and relieves him/her of duty by decision. The appointment is made for an indefinite period of time.

(5) The appointed expert acquires the status of an expert of the Court of Audit on the day of having taken the oath before the President of the Court of Audit. In case of an expert institution, its



representative officer shall take the oath. The oath shall read as follows: "I swear upon my honour that I will carry out my expert work conscientiously, impartially, in accordance with the rules of science and professional knowledge, that I will present my findings and opinions exactly and completely and that I will permanently protect any information which constitutes state, official, business, industrial or military secret."

(6) Should the expert appointed under paragraph (3) hereof not have command of the Slovene language, appropriate official translation of the oath text shall be applied.

(7) Upon taking the oath, the expert shall be entered into the directory of experts of the Court of Audit.

(8) The expert of the Court of Audit may refer to his/her status only when presenting the findings or an opinion upon the request of the Court of Audit; in any other case only with the permission of the President of the Court of Audit.

(9) In case that the Court of Audit relies on the opinion or findings of an expert, it shall likewise be kept accountable for any audit findings.

### 3. SCOPE OF COMPETENCE OF THE COURT OF AUDIT

#### **Article 20**

##### **(Audit Responsibility)**

(1) The Court of Audit audits operations of public funds users:

1. it may audit regularity and performance of operations; or
2. it may audit any act on past operations as well as any act on planned operations of any public funds user.

(2) The act referred to in Item 2 of the preceding paragraph hereof may be an act prescribed by law or any special financial statement or report which the user of public funds is obliged to prepare if so requested by the Court of Audit.

(3) Operational auditing under this Act means the acquisition of appropriate and sufficient data to express an opinion on operations:

1. regularity audits provide appropriate and sufficient data to express an opinion on compliance of operation with regulations and guidelines which any user of public funds is required to consider in the conduct of operations;
2. performance audits provide appropriate and sufficient data to express an opinion on economy, efficiency and effectiveness in the conduct of operations.

(4) The opinion on operations issued by the Court of Audit must be respected by every state body, local community body and any user of public funds concerned.

(5) User of public funds under this Act is deemed to be:

1. any legal entity of public law or a unit thereof;

2. any legal entity of private law provided that one of the following applies:
  - it has received financial support from the budget of the European Union, state budget or local community budget;
  - it performs public service or provides public goods on concession basis;
  - it is a commercial company, bank or insurance company in which the majority shareholder is the state or the local community;
3. any natural person provided that one of the following applies:
  - it has received financial support from the budget of the European Union, state budget or local community budget;
  - it performs public service or provides public goods on concession basis.

(6) For the purpose of audit procedure under this Act it is deemed that the operations of a user of public funds consist of:

1. any acts by the user of public funds, which have impact on their receipts and disbursements, revenues and expenses or assets and liabilities, respectively (operations in the restricted sense);
2. any acts by the user of public funds, which have impact on the state of public assets, public debt, provision of public goods or the state of environment (operations in the broader sense).

(7) In addition to audits carried out on the basis of this Act, the Court of Audit conducts other audits, if so provided by a specific law.

## **Article 21**

### **(Consulting Public Funds Users)**

The Court of Audit consults the users of public funds in the following way:

1. it provides recommendations at the time of performing the audit and in the report referred to in Article 28 hereof;
2. it may make comments on working drafts of laws and other regulations;
3. it may participate in meetings and seminars on public finance issues;
4. it puts forward proposals in the report referred to in Article 5, paragraph (2), hereof;
5. it may express opinions on public finance issues.

## **Article 22**

### **(Issuance of Audit Certificates)**

(1) The Court of Audit issues certificates for the titles of State Auditor and Certified State Auditor.

(2) The certificate for the title of State Auditor may be obtained by a person who fulfils the following requirements:

1. holds a professional title;
2. has appropriate expertise;
3. has gathered sufficient number of points from audit achievements;
4. has passed the exam for the title of State Auditor.

(3) The certificate for the title of Certified State Auditor may be obtained by a person who meets the requirements referred to in Items 1 to 3 above and who has passed the exam for the title of Certified State Auditor.

(4) The certificates from paragraph (1) hereof are public documents.

(5) Requirements for acquisition of the titles and issuance of audit certificates referred to in paragraph (1) hereof shall be specified in detail in a general act of the Court of Audit issued by the President of the Court of Audit.

## **Article 23**

### **(Issuance of Auditing Standards and Manuals)**

The Court of Audit issues, alone or together with the Slovenian Institute of Auditors, standards for auditing the operations of public funds users in the Republic of Slovenia, which refer to the performance of audit responsibility by the Court of Audit, as well as audit manuals and other professional literature important for the development of the audit profession.

## **4. PERFORMANCE OF AUDIT RESPONSIBILITY**

## **Article 24**

### **(General Rules of Auditing)**

(1) The Court of Audit is obliged to conduct audits:

1. in accordance with generally accepted auditing principles and rules;
2. in accordance with international standards of auditing published in the Slovene language.

(2) The standards by which the Court of Audit conducts audits shall be defined in the instruction issued by the President of the Court of Audit and published in the Official Gazette of the Republic of Slovenia.

(3) The Court of Audit is obliged to protect all acquired information which constitutes state, official, business, industrial or military secret.

(4) In the performance of its audit responsibility, the Court of Audit may use the report prepared by an auditing company.

(5) The audits referred to in Article 20, paragraph (7), hereof are carried out by the Court of Audit in the manner and under the procedure determined by this Act.

## **Article 25**

### **(Selection of Audits)**

(1) Within the framework set by this Act, the Court of Audit shall independently decide on audits which will be carried out in any individual period of time.

(2) In determining the audits to be carried out in a certain calendar year, the Court of Audit shall consider proposals made by deputies and working bodies of the National Assembly, Government, ministries and local community bodies. It is obliged to consider at least five proposals from the National Assembly out of which at least two must be given by opposition deputies and a further two by working bodies of the National Assembly.

(3) The report referred to in Article 5, paragraph (2), hereof must contain:

1. a list of all audit proposals made by deputies and working bodies of the National Assembly;
2. clear evidence as to audits in which the proposals stated in the preceding Item have been taken into account.

(4) Every year, the Court of Audit is obliged to audit:

1. regularity of the implementation of state budget (regularity of Government operations);
2. regularity of operations of the public health insurance institute;
3. regularity of operations of the public pension insurance institute;
4. regularity of operation of an appropriate number of urban and other municipalities;
5. operations of an appropriate number of public utilities providers;
6. operations of an appropriate number of providers of non-commercial public services.

(5) The audits under Items 2 and 3 above shall be restricted to regularity of operations in the part of compulsory insurance.

## **Article 26**

### **(Preliminary Audit Enquiry)**

(1) The Court of Audit may, prior to the commencement of audit, request the user of public funds to present any notices which are deemed important, bookkeeping documents, data and other documentation, and make other inquiries needed for the planning or performing the audit.

(2) The request for submission of data must be fulfilled within eight (8) days from delivery.

## **Article 27**

### **(Commencement of Audit Procedure)**

(1) The Court of Audit starts audit procedure by issuing a decision on the performance of audit.

(2) An objection against the decision on the performance of audit is permissible. The objection must be filed within eight (8) days from the delivery of the decision.

(3) The Senate of the Court of Audit shall determine any objection in the decision by which the objection may be dismissed, refused or accepted as justified.

(4) Objection is justified, if it is proved that the audit is not within the competence of the Court of Audit. No objection is permissible against the decision on dismissal or refusal of objection.

(5) The user of public funds to whom the decision on the performance of audit has been delivered (hereafter referred to as: the auditee) has to allow the authorized staff of the Court of Audit to carry out the examinations required for the realization of audit objectives (hereafter referred to as: performing the audit).

(6) Performing the audit comprises:

1. examination of the system and particular sub-systems of operations and accounting;
2. examination of bookkeeping documents and other documents of operations;
3. examination of premises, facilities and equipment used by the auditee for his operations;
4. other audit acts needed for the realization of audit objectives.

(7) If the authorized representative of the Court of Audit who is performing the audit believes that suspicion exists that some violation or criminal offence has been committed, he/she may seize the documentation, but only for eight (8) days maximum. He/she shall issue a certificate of the seizure.

(8) In case that the auditee makes it impossible for the authorized staff of the Court of Audit to commence performing the audit within fifteen (15) days after the decision on the performance of audit has been delivered, or in case that, in the course of performing the audit, the authorized staff of the Court of Audit estimates that the auditee does not show proper willingness to cooperate in the execution of audit, the Court of Audit may issue to the auditee an order to submit documents; the order shall contain a list of bookkeeping documents and other operation documents to be submitted by the auditee. The Court of Audit may issue several supplements to the order for the submission of documents.

(9) The order for the submission of documents must be fulfilled within eight (8) days from delivery. The same applies to any supplement to the order.

## **Article 28**

### **(Completion of Audit Procedure)**

(1) The audit procedure ends with the issuance of an audit report. In the audit report, the Court of Audit gives its opinion on the auditee's operations.

(2) Before the audit report is issued, the auditee is invited to a clearance meeting. The auditee receives a draft audit report for this purpose. If the audit is carried out with several auditees (cross-sectional audit), the draft audit report is handed out to individual auditees in parts.

(3) No clearance meeting is needed, if the auditee, within eight (8) days from delivery, notifies the Court of Audit in writing that no disclosure in the draft audit report is being challenged.

(4) There can be several clearance meetings. The first one has to take place no sooner than eight (8) and the last one no later than thirty (30) days after the draft audit report was delivered.

(5) Clearance meetings shall be conducted by the authorized auditor of the Court of Audit and normally take place at the auditee's seat.

(6) If no auditee's representative appears at the clearance meeting, it shall be deemed that the auditee does not challenge any disclosure in the draft audit report, except in case that, within three (3) days after the clearance meeting, the auditee's representative has proved that they did not attend the meeting for some justified reason.

(7) At the clearance meeting, the auditee's representative may:

1. challenge individual disclosures in the draft audit report;
2. present explanations to audit findings.

(8) Should the Court of Audit acknowledge that the challenge of an audit disclosure (referred to under Item 1 above) is justified, such disclosure is eliminated from the audit report. Before that, the Court of Audit may carry out some additional audit tests.

(9) Explanations referred to under Item 2 of paragraph (7) above can be included in the audit report.

(10) After clearance meetings the authorized auditor of the Court of Audit forwards the draft audit report, including possible auditee's comments, to the competent member or Supreme State Auditor of the Court of Audit. The competent member or Supreme State Auditor of the Court of Audit reviews the audit report and comments and establishes whether the comments are justified, whether the findings are based on documentary evidence, and whether the procedure has been carried out in accordance with auditing standards. Having estimated the comments to and findings of the audit, he issues a proposed audit report and delivers it, within 15 days after the last clearance meeting to the auditee and to those auditee's officers who were acting in the period covered by the audit performed. In case that no clearance meeting is needed (see paragraph (3) hereof), the competent member of the Court of Audit issues the proposed audit report within 10 days after having received auditee's notification that no disclosure in the draft audit report is being challenged.

(11) The auditee and the auditee's officer who was acting in the period covered by the audit performed may file an objection against any audit disclosure in the proposed audit report. The objection shall be filed with the Court of Audit.

(12) The time-limit for filing objection against an audit disclosure in the proposed audit report is eight (8) days and starts running the day after the proposed audit report was delivered to the auditee and/or the auditee's officer who was acting in the period covered by the audit performed.

(13) The President of the Court of Audit may order that the opinion of an expert of the Court of Audit be obtained on the proposed audit report as a whole or on any separate part thereof.

(14) If an audit disclosure in the proposed audit report is being challenged (objection referred to in paragraph (11) hereof), or some doubt about professional correctness has been expressed in the opinion from the preceding paragraph, such disclosure is deemed to be disputable.

(15) The Senate of the Court of Audit shall decide on any disputable disclosure in the proposed audit report within fifteen (15) days following the receipt of the objection referred to in paragraph (11) hereof. It may decide that:

1. the disputable disclosure be eliminated from the audit report;
2. the disputable disclosure be maintained in the audit report in unchanged form;
3. the disputable disclosure be maintained in the audit report in the form defined by the Senate.

(16) The audit report shall be delivered to:

1. the auditee;
2. the auditee's officer who was acting in the period covered by the audit performed;
3. the National Assembly;
4. other authorities which, in the opinion of the President of the Court of Audit, shall be informed of audit disclosures.

(17) In case that the auditee or the auditee's officer who was acting in the period covered by the audit performed has filed an objection against an audit disclosure in the proposed audit report, he/she shall, upon the delivery of the audit report, also receive the answer to the objection. The Senate of the Court of Audit determines the answer.

(18) No legal remedy is available against the answer from the preceding paragraph.

(19) Both the draft audit report and the proposed audit report are confidential documents.

## **Article 29**

### **(Post-Audit Procedure)**

(1) The user of public funds in whose operations irregularities or inefficiencies have been disclosed, has to submit to the Court of Audit, except in the case referred to in paragraph (3) hereof, a report on remedy of disclosed irregularities and inefficiencies (hereafter referred to as: response report). The response report has to be submitted within the time-limit defined by the Court of Audit and ranging between thirty (30) and ninety (90) days which starts to run from the date following the day on which the audit report was delivered to the user of public funds.

(2) The response report shall be verified by signature and stamp of the acting officer of the public funds user. The response report is an official document.

(3) No response report is required in cases where the audit report contains the statement that appropriate corrective measures for remedy of disclosed irregularities and inefficiencies have already been taken in the course of the audit procedure.

(4) The Court of Audit can test the credibility of response report by audit.

(5) In case that the Court of Audit estimates that the response report does not provide for a satisfactory remedy of disclosed irregularity and inefficiency, it shall be deemed that the public funds user has violated the obligation of operational efficiency. Unsatisfactory remedy of any material irregularity or material inefficiency is deemed to be a severe violation of the operational efficiency obligation.

(6) Materiality of irregularities and inefficiencies in the operations of a public funds user shall be judged in accordance with guidelines issued by the President of the Court of Audit.

(7) In case of existing violation of the operational efficiency obligation, the Court of Audit may issue a call for action. It shall be issued to the authority for which the Court of Audit estimates that it can, within the scope of its competences, take actions against the user of public funds who has been violating the obligation of operational efficiency.

(8) The authority to which the call for action was delivered has to submit to the Court of Audit a report on the actions taken or an explanation of the omission of action within thirty (30) days after receipt of the call.

(9) In case of existing severe violation of the operational efficiency obligation, the Court of Audit notifies the National Assembly thereof.

(10) Having received the notification from the preceding paragraph, the working body of the National Assembly responsible for budgetary and other public finance control shall, after the concluded deliberation to which a representative of the public funds user has also been invited, adopt within the scope of its competences a decision on measures against severe violation of the operational efficiency obligation.

(11) In case of existing severe violation of the operational efficiency obligation, or in case of violation of Article 27, paragraphs (8) and (9) of this Act, the Court of Audit also issues:

1. the call for dismissal of the acting officer,
2. a press release.

(12) In the call referred to under Item 1 of the preceding paragraph, the Court of Audit shall name the person or several persons who are to be dismissed. The call for their dismissal shall be issued to the authority for which the Court of Audit estimates that it can carry out or initiate the procedure for dismissal.

(13) Should the Court of Audit establish that the supervisory board of a local community does not perform its functions, or does not perform them appropriately, it shall propose to the local community council to relieve the board of its duties.

(14) The authority which has received the call for the dismissal of the acting officer shall decide upon such call and notify the Court of Audit of its decision in writing within fifteen (15) days after receipt of the call.

## **Article 30**

### **(Motions to the Judge for Violations and Complaints to State Prosecutor)**

In case of a justified suspicion that a violation or criminal offence has been committed, the Court of Audit shall propose the institution of proceedings against such violation or files a complaint, as appropriate.

## **5. CONDITIONS FOR THE WORK OF THE COURT OF AUDIT**



## **Article 31**

### **(Resources for the Work of the Court of Audit)**

(1) Resources for the work of the Court of Audit are determined by the National Assembly upon proposal made by the Court of Audit and form a constituent part of the state budget.

(2) Financial statements of the Court of Audit shall be audited by an auditing company, selected by the National Assembly upon proposal of its working body responsible for budgetary and other public finance control.

(3) The Court of Audit shall submit to the National Assembly the report issued by the auditing company.

## **Article 32**

### **(Support by Government Services)**

(1) The tasks for which the Court of Audit has no appropriate service of its own are normally performed by Government services.

(2) The tasks from the preceding paragraph are particularly those connected with the preparation and implementation of public procurements for the requirements of the Court of Audit.

## **6. EMPLOYMENT PROVISIONS**

## **Article 33**

### **(Employment Status of the Members of the Court of Audit)**

(1) A member of the Court of Audit is an official of the Court of Audit.

(2) Both the act on assumption of office and the act on termination of office by a member of the Court of Audit are issued by the National Assembly.

(3) The time from the date of the assumption of office to the date of termination of office shall be counted as years of service of the member of the Court of Audit.

(4) The President of the Court of Audit is entitled to a salary in the amount determined for the President of the Constitutional Court.

(5) The Deputy President of the Court of Audit is entitled to a salary in the amount determined for a constitutional court judge.

(6) With regard to other benefits and rights of members of the Court of Audit the provisions of laws regulating such rights for officials in state bodies shall apply.

(7) A member of the Court of Audit who was before his appointment employed in a State body, public company or public institution shall have the right, within three (3) months after the termination of his office as a member of the Court of Audit, to return to the duties he had previously

performed or to some other job which is in accord with the nature and degree of his professional qualifications.

(8) **(deleted)**

(9) **(deleted)**

(10) **(deleted)**

### **Article 33.a**

#### **(Rights of Members of the Court of Audit after the Termination of their Office)**

(1) The member of the Court of Audit whose office has ceased and who, for objective reasons, cannot continue with his previous work or obtain some other appropriate employment, and has not fulfilled the minimum conditions to qualify for a retirement pension without any reduction in accordance with the regulations governing the mandatory pension and disability insurance, or special provisions which govern the right to the retirement pension, shall be entitled, until he/she obtains employment or starts pursuing a gainful activity, or until he/she fulfils the indicated conditions for retirement, to compensation in the amount of 80 percent of the last monthly salary that he/she received in performing his/her office, but no longer than for a period of nine (9) months after the termination of his/her office as a member of the Court of Audit. If instead of the last salary he/she received compensation, the compensation referred to in this paragraph shall be determined based on the last monthly salary that he/she would have received in performing his office.

(2) The entitlement to compensation referred to in the preceding paragraph can be prolonged pending the fulfilment of the conditions for retirement indicated in the preceding paragraph, but only for six more months at the longest.

(3) The Member of the Court of Audit who had performed his/her office as a member already before the expired term of office, shall be entitled to receive compensation for an additional period of three months for any previous term of office.

(4) The period of receiving compensation shall be computed into the pension qualifying period of the member of the Court of Audit whose office has ceased. During this period he/she shall enjoy social insurance according to regulations governing the social security of the employed while upon retirement he/she shall be further entitled to severance pay.

(5) The member of the Court of Audit whose office as a member has ceased within one year after his/her appointment, shall not be entitled to compensation.

### **Article 33.b**

#### **(Exercise of the Right to Compensation)**

(1) The right to compensation of the President of the Court of Audit and the Deputy President of the Court of Audit is decided on by the President of the Court of Audit or, in case the latter is not appointed, by the National Assembly or its authorised body.

(2) To be able to exercise the right to compensation, the President of the Court of Audit or the Deputy President of the Court of Audit whose office has ceased, should within 15 days after the termination of his/her office submit to the President of the Court of Audit or, in case the latter is not appointed, to the National Assembly or its authorised body an application for the exercise of the right

to compensation as well as evidence of compliance with the conditions for entitlement to compensation. Should it not be possible to return to work under the previous employer, it is necessary to show why the return is not possible.

(3) The application for the exercise of the right to compensation shall be decided upon by the official or body referred to in paragraph (1) hereof not later than 14 days from its submission by decision.

(4) The right to receive compensation shall cease, if the member of Court of Audit whose office has ceased starts performing another office before the expiry of the period during which he/she is entitled to compensation, or obtains employment, starts pursuing a gainful activity or fulfils the minimum conditions to qualify for a retirement pension without any reduction in accordance with the regulations governing the mandatory pension and disability insurance, or special provisions which govern the right to the retirement pension.

(5) The member of the Court of Audit whose office has ceased shall be obliged to notify during the period of receiving compensation the official or body referred to in paragraph (1) hereof and the authority paying compensation about all the receipts for performing his/her duties not later than seven days after receiving the payment. The amount of compensation of the Member of the Court of Audit whose office has ceased shall be reduced in accordance with the first (1) paragraph of the preceding Article, by the amounts received after payment of taxes and mandatory contributions, which shall be calculated as of the next payment of compensation.

(6) The member of the Court of Audit whose office has ceased shall, in order to avoid the provisions on the duration and the amount of compensation, not be allowed to enter into agreements on deferred payments and other arrangements that would be contrary to the purpose of the right to compensation.

(7) Should the member of the Court of Audit whose office has ceased act contrary to the paragraphs (5) and (6) of this Article, he/she shall no longer be entitled to compensation and shall be obliged to return the amounts of compensation unduly received.

(8) Compensation, social security contributions and severance pay shall be paid from appropriations of the Court of Audit.

## **Article 34**

### **(Employment Status of Supreme State Auditors)**

(1) The Supreme State Auditor is an official of the Court of Audit.

(2) Both the act on assumption of office and the act on termination of office of a Supreme State Auditor are issued by the President of the Court of Audit.

(3) The time from the date of the assumption of office to the date of termination of office shall be counted as years of service of the Supreme State Auditor.

(4) The Supreme State Auditor is entitled to a base salary in the amount of 90 per cent of the salary determined for the constitutional court judge.

(5) With regard to other benefits and rights of the Supreme State Auditor, the provisions of laws regulating such rights for officials in state bodies shall apply.

## **Article 35**

### **(Employment Status of Secretary of the Court of Audit)**

- (1) The Secretary of the Court of Audit is an official of the Court of Audit.
- (2) Both the act on assumption of office and the act on termination of office of the Secretary of the Court of Audit are issued by the President of the Court of Audit.
- (3) The time from the date of the assumption of office to the date of termination of office shall be counted as years of service of the Secretary of the Court of Audit.
- (4) The Secretary of the Court of Audit is entitled to a base salary in the amount of 90 per cent of the salary to which a Supreme State Auditor is entitled.
- (5) With regard to other benefits and rights of the Secretary of the Court of Audit, the provisions of laws regulating such rights for officials in state bodies shall apply.

## **Article 36**

### **(Employment Status of Personnel in the Services of the Court of Audit)**

- (1) Anybody who works in a service of the Court of Audit has the employment status which applies to persons employed with state authorities.
- (2) The decision on employment and the decision on termination of employment are issued by the President of the Court of Audit.
- (3) Anybody who works in the services of the Court of Audit is entitled to a salary in no smaller amount than the salary defined according to the provisions by which salaries within state bodies are defined. The base pay may be increased up to 30 per cent due to special requirements of work with the Court of Audit (hereafter referred to as: institutional allowance).
- (4) The persons entitled to the institutional allowance, the level of institutional allowance for individual categories of beneficiaries and the method of calculating institutional allowance shall be determined in the general act of the Court of Audit issued by the President of the Court of Audit.
- (5) With regard to other benefits and rights of persons employed in the services of the Court of Audit, the provisions of laws regulating such rights for officials in state bodies shall apply.
- (6) Any person employed in the services of the Court of Audit may only discharge office, or perform any activity or work outside the Court of Audit, if this does not damage the reputation of the Court of Audit; the President of the Court of Audit decides on that on a case-by-case basis.
- (7) The decision from the preceding paragraph shall not interfere with the rights of trade unionisation.

## **Article 37**

### **(Fees of Experts of the Court of Audit)**

An expert of the Court of Audit is entitled to charge a fee for his/her expert work, and be remunerated for the costs incurred in connection with his/her expert work.

## **7. PENAL PROVISIONS**

### **Article 38**

#### **(Violation by Acting Officer or Individual)**

(1) Should the user of public funds who has received the request for submission of data fail to carry out the request (Article 26, paragraph (2)) in due time, the acting officer of the user of public funds shall be fined EUR 2,000 for such violation.

(2) Should the auditee who has received the order for submission of documents fail to submit to the Court of Audit all documents listed in the order or in the supplement to the order for the submission of documents (Article 27, paragraphs (8) and (9)) in due time, the acting officer of the auditee shall be fined EUR 2,000 for such violation.

(3) Should the user of public funds in whose operations irregularities or inefficiencies have been disclosed and for which the provision of Article 29, paragraph (3) does not apply, fail to submit to the Court of Audit the response report (Article 29, paragraph (1)) verified by signature and stamp of the acting officer (Article 29, paragraph (2)) in due time, the acting officer of the user of public funds shall be fined EUR 2,000 for such violation.

(4) Any individual who has committed an act referred to in paragraphs (1), (2) and (3) hereof shall be fined EUR 600.

(5) Should the authority to which the call for action has been delivered fail to submit to the Court of Audit the report on the actions taken or an explanation of the omission of action (Article 29, paragraph (8)) in due time, the acting officer of the authority shall be fined EUR 2,000 for such violation.

(6) Should the authority which has received the call for the dismissal of the acting officer fail to decide upon such call or to notify the Court of Audit of its decision (Article 29, paragraph (14)) in due time, the acting officer of the authority shall be fined EUR 2,000 for such violation.

(7) The Court of Audit shall be the misdemeanour authority deciding upon violations and imposing fines under this Article.

(8) Proceedings for the violation under this Article shall be conducted and decided upon by an official of the Court of Audit who meets the conditions stipulated by the Act governing violations and the regulations adopted on the basis thereof.

### **Article 38.a**

#### **(Violation concerning the Exercise of the Right to Compensation)**

(1) A fine of EUR 1,000 shall be imposed on the member of the Court of Audit whose office has ceased, if during the period of receiving compensation he/she fails to notify in accordance with Article 33.b, paragraph (5) of this Act the competent working body of the National Assembly and the authority paying compensation about all the receipts for performing his/her duties or if during the period of receiving compensation he/she enters into agreement on deferred payment or other arrangement contrary to Article 33.b, paragraph (6) of this Act.

(2) The exercise of the right to compensation shall be supervised by the Budget Supervision Office acting as a misdemeanour authority.

## 8. TRANSITIONAL AND FINAL PROVISIONS

### **Article 39**

#### **(Transition Period)**

(1) ) Within six months from the entry into force of the present Act, the Senate of the Court of Audit shall adopt its Rules of Procedure and submit it to the National Assembly for consent.

(2) Within six months from the entry into force of the present Act, the Court of Audit shall publish its first instruction referred to in Article 24, paragraph (2) hereof in the Official Gazette of the Republic of Slovenia.

(3) Control procedures under which the final report has not been issued by the date of entry into force of the present Act shall be completed under the hitherto valid regulations.

### **Article 40**

#### **(Continuity of Term of Office of the President and Deputy President of the Court of Audit)**

(1) The President of the Court of Audit who has been appointed in accordance with the Court of Audit Act (Official Gazette of the RS, No 48/94; hereafter referred to as: the 1994 Act) shall, after the present Act has entered into force, continue to hold office of the President of the Court of Audit until the expiry of the term for which he/she has been appointed under the 1994 Act.

(2) The Deputy President of the Court of Audit who has been appointed in accordance with the 1994 Act shall, after the present Act has entered into force, continue to hold office of the First Deputy President of the Court of Audit until the expiry of the term for which he/she has been appointed under the 1994 Act.

### **Article 41**

#### **(Continuity of Term of Office of Members of the Court of Audit)**

(1) The member of the Court of Audit who has been appointed in accordance with the 1994 Act and has before the entry into force of the present Act not held the office of President or Deputy President of the Court of Audit (hereafter referred to as: member of the Court of audit under 1994 Act) shall, after the present Act has entered into force, hold the office of Supreme State Auditor pursuant to Article 14, paragraphs (5) and (6), until the expiry of the term for which he/she has been appointed under the 1994 Act.

(2) A member of the Court of Audit under the 1994 Act is entitled to a salary in the amount determined for the constitutional court judge and other rights under Article 33, paragraphs (3), (6), (7), (8), (9) and (10) hereof.

(3) A member of the Court of Audit under the 1994 Act shall be relieved from office prior to the expiration of his/her term if:

1. the member himself/herself so requests;
2. the member has been sentenced to a term of imprisonment for a criminal offence;
3. the member has become permanently incapable of performing his/her duties;
4. the member ceases to meet the requirements for a member of the Court of Audit under the 1994 Act;
5. the member does not act in accordance with the present Act or the oath referred to in Article 8, paragraph (1) of the 1994 Act.

(4) A member of the Court of Audit under the 1994 Act may be early dismissed in case that the National Assembly establishes the occurrence of one of the reasons from the preceding paragraph and decides early dismissal on that ground. The term of office of the member of the Court of Audit under the 1994 Act terminates on that day.

## **Article 42**

### **(Constitution of the Senate of the Court of Audit)**

(1) Within fifteen (15) days from the entry into force of the present Act, the President of the Court of Audit shall propose the candidate for the Second Deputy of the President of the Court of Audit. The proposed candidate must be one of the members of the Court of Audit under the 1994 Act.

(2) The National Assembly is obliged to vote on the proposed candidate for the Second Deputy President of the Court of Audit within thirty (30) days after the submission of the proposal. Voting is by secret ballot. The proposed candidate for the Second Deputy of the President of the Court of Audit is appointed if the majority of votes of all deputies are cast in his/her favour.

(3) The proposed candidate for the Second Deputy President of the Court of Audit shall attend the session at which the National Assembly decides on his/her candidature.

(4) Should the proposed candidate for the Deputy President of the Court of Audit not receive the necessary majority of deputies' votes in the National Assembly, the President of the Court of Audit shall propose a new candidate. The new proposal shall be submitted within fifteen (15) days from the voting at which the previous proposal did not obtain the required majority of deputies' votes.

(5) A member of the Court of Audit under the 1994 Act who has been appointed Second Deputy President of the Court of Audit shall hold office of the Second Deputy President of the Court of Audit until the expiry of the term for which he/she has been appointed member of the Court of Audit under the 1994 Act.

## **Article 43**

### **(Salaries of Deputy Presidents of the Court of Audit)**

Deputy Presidents of the Court of Audit who have been appointed members of the Court of Audit under the 1994 Act are until the expiry of their term entitled to a salary equal to the salary of the members of the Court of Audit under the 1994 Act increased by one half of the difference between the salary of a member of the Court of Audit under the 1994 Act and the salary of the President of the Court of Audit.

## **Article 44**

### **(Termination of Validity)**

(1) On the day when the present Act enters into force, the Court of Audit Act (Official Gazette of the RS, No 48/94) shall cease to be valid.

(2) On the day when the present Act enters into force, the part of Article 18, paragraph (1), of the Execution of Judgments in Civil Matters and Insurance of Claims Act (Official Gazette of the RS, No 51/98) which determines that the order issued by the Court of Audit of the Republic of Slovenia for remedy of illegal acts is deemed to be a court decision and, consequently, an executory title, shall cease to be valid.

## **Article 45**

### **(Entry into Force of the Present Act)**

This Act shall enter into force on the fifteenth day after its publication in the Official Gazette of the Republic of Slovenia.